

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)			
THIS LEASE AGREEMENT IS Made this 30 th day	~~	•	oy and between
whose addresss is 376 TYS-TON AND AND ALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1 hereinabove named as Lessee, but all other provisions (including the community of a cash bonus in hand paid and the coven described land, hereinafter called leased premises:	Inletion of blank spaces) were	a prepared injutiv by Lessor and Le	2000
	NT COUNTY, TEXAS,	ADDITION, AN ACCORDING TO THAT O	, BLOCK, ADDITION TO THE CITY OF CERTAIN PLAT RECORDED NT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing reversion, prescription or otherwise), for the purpose of exploring for, de substances produced in association therewith (including geophysical/st commercial gases, as well as hydrocarbon gases. In addition to the aboland now or hereafter owned by Lessor which are contiguous or adjacent Lessor agrees to execute at Lessee's request any additional or supplement of determining the amount of any shut-in royalties hereunder, the number of	leveloping, producing and ma teismic operations). The te- tove-described leased premise at to the above-described lease that instruments for a more co	arketing oil and gas, along with a srm "gas" as used herein include es, this lease also covers accretion sed premises, and, in consideration complete or accurate description of	es helium, carbon dioxide and other was and any small strips or parcels of on of the aforementioned cash bonus, the land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring no rentals, shall the astrong thereafter as oil or gas or other substances covered hereby are protherwise maintained in effect pursuant to the provisions hereof.  3. Royalties on oil, gas and other substances produced and saved separated at Lessee's separator facilities, the royalty shall be the separated at Lessee's repair at the oil purchaser's transported wellhead market price then prevailing in the same field (or if there is prevailing price) for production of similar grade and gravity; (b) for goe the prevailing price in production of similar grade and gravity; (b) for goe the prevailing price in the same field (or if there is production, severance, or other excise taxes and the costs incurred by Lessee shall have the continuing right to purchase such production at the no such price then prevailing in the same field, then in the nearest field in the same or nearest preceding date as the date on which Lessee comme more wells on the leased premises or lands pooled therewith are capable are waiting on hydraulic fracture stimulation, but such well or wells are either deemed to be producing in paying quantities for the purpose of maint there from is not being sold by Lessee, then Lessee shall pay shut-in rollessor's credit in the depository designated below, on or before the end while the well or wells are shut-in or production there from is not being so is being sold by Lessee from another well or wells on the leased premise following cessation of such operations or production. Lessee's failure to terminate this lease.	thereunder shall be paid by the paid by the paid to provide the son such price then prevailing as (including casing head is realized by Lessee from the prevailing wellhead market in which there is such a prevences its purchases hereunder of either producing oil or gather shut-in or production there is a prevailing this lease. If for a per oyalty of one dollar per acree of said 90-day period and the old by Lessee; provided that it is or lands pooled therewith or properly pay shut-in royalty	Lessee to Lessor as follows: (a)  (25%) of such production, it Lessee shall have the continuing ng in the same field, then in the rigas) and all other substances of the sale thereof, less a proportion of the price paid for production of similar ailing price) pursuant to comparabler; and (c) if at the end of the primes or other substances covered here from is not being sold by Lessee ried of 90 consecutive days such then covered by this lease, such creafter on or before each anniver if this lease is otherwise being mains, no shut-in royalty shall be due us shall render Lessee liable for the	For oil and other liquid hydrocarbons to be delivered at Lessee's option to gright to purchase such production at nearest field in which there is such a covered hereby, the royalty shall be onate part of ad valorem taxes and as or other substances, provided that quality in the same field (or if there is ple purchase contracts entered into on lary term or any time thereafter one or reby in paying quantities or such wells are shut-in or production payment to be made to Lessor or to reary of the end of said 90-day period intained by operations, or if production amount due, but shall not operate to
4. All shut-in royalty payments under this lease shall be paid or ten be Lessor's depository agent far receiving payments regardless of change draft and such payments or tenders to Lessor or to the depository by depaddress known to Lessee shall constitute proper payment. If the deposit payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a 5. Except as provided for in Paragraph 3. above, if Lessee drills a premises or lands pooled therewith, or if all production (whether or not pursuant to the provisions of Paragraph 6 or the action of any govern revertheless remain in force if Lessee commences operations for rework on the leased premises or lands pooled therewith within 90 days after con	es in the ownership of said la- posit in the US Mails in a sta tory should liquidate or be su a proper recordable instrumer well which is incapable of pri t in paying quantities) perma nemental authority, the in the	and. All payments or tenders may commped envelope addressed to the acceeded by another institution, or not naming another institution as devolucing in paying quantities (hereignently ceases from any cause, in the event this lease is not otherwilling an additional well or for other	no made in currency, or by check or by depository or to the Lessor at the last for any reason fail or refuse to accept pository agent to receive payments, inafter called "dry hole") on the lease ocluding a revision of unit boundaries rise being maintained in force it shall the position of the production of the produc

on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to gool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all

leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal Completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or agas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel hased on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical compenent of the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reser

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mine such part of the leased premises 8. The interest of either L
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or fender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more bersons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of
- Lessee with respect to the transferred interest, and failure or the transferred to satisfy such obligations with respect to the transferred interest and not anext the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferred in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest relained hereupder. in accordance with the net acreage interest retained hereunder.
- It lesses releases all or an undivided interest in less than all of the area covered the public processor obligations thereafter airsing with respect to the interest so released in Lesses releases all or an undivided interest in less than all of the area covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and ogress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, fairks, water wells, disposal wells, injection wells, pile, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises as any observable water from the leased premises of the substances produced on the leased premises of the substances produced on the leased premises of the substances and the substances and the substances and the substances are substances and the substances and the substances are substances and the substances are substances and the substances are substances and the substances and the substances are substances and the substances and the substances and the substances of the substances of the substances and the substances of substances and the substances of the substances of substances and the substances of substances

- Lessee is made aware of any claim inconsistent with Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other 16. operations
- ase may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. 17. This lease may be executed in counterparts, each or which is deemed an original and all or which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Lynio Stafford By: Rev. Henry Stafford **ACKNOWLEDGMENT** STATE OF 15105 COUNTY OF 30 day of \_ Notary Public, State of  $\overline{\mathcal{D}}$ KENNETH L. HURST SR My Commission Expires Notary's name (printed): October 24, 2010 STATE OF 7000 COUNTY OF Troppet 30<sup>th</sup> This instrument was acknowledged before me on the day of Kerneth I Hurst S1. KENNETH L. HURST SR Notary's name (printed): Notary's commission expires: My Commission Expires

October 24, 2010



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

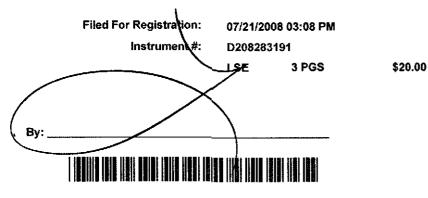
FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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